



State/EAP
needs clearance
2/6/89
E56
RELEASED IN FULL
by [signature]

The President's Meeting with President Yang Shangkun

contact
Joe [signature]
x 3496

o Your 45 minute call on President Yang Shangkun provides an opportunity to highlight the importance which we attach to the military component of our overall bilateral relationship with one of the most powerful military figures in China.

--Yang's continued influence in the military is demonstrated by his ability to retain his position as Permanent Vice Chairman of the Central Military Commission after being named President in April 1988.

--Yang has played a key role in crafting our bilateral military relationship. His May 1987 visit to the US, which you hosted, was instrumental in furthering military-to-military contacts.

--Our goal is to build a tradition of friendly cooperation between our military establishments based on measured progress in three areas: high level visits, functional exchanges, and technology cooperation.

o Yang is closely associated with China's arms sales policies. You may wish to use the meeting to highlight our concerns over the global dangers of nuclear, missile and chemical weapons proliferation.

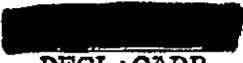
--In nuclear area, our concern focuses on reports over a number of years of Chinese assistance to Pakistan's nuclear weapons program.

--Missile proliferation has been an important issue in our high level dialogue since the March 1988 revelation that China had transferred IRBM's to Saudi Arabia.

--In September, Deng Xiaoping told Frank Carlucci that except for Saudi Arabia, China will not provide intermediate range missiles to any country.

--We hope to persuade Beijing to refrain from exporting missiles above the Missile Technology Control Regime guidelines (range over 300 kms. and payload over 500 kgs.)

--China may be considering space launch ventures with countries which are are simultaneously seeking to develop ballistic missiles. The technology for space launch is similar to that required for ballistic missiles.



DECAPTIONED

DECL:OADR

UNCLASSIFIED

Briefing Paper: President's Meeting with Yang Shangkun
Drafted: EAP/CM: JDonovan
0252A 7-9141 2/8/89
Clearance: EAP: JSRoy
EAP/CM: RWilliams
EAP/CM: JBader
EAP/CM: MWong
PM/ISP: Pito
OSD/ISA/ERoss
NEA/RA: SAoki
ACDA/NWC/ATD: JSmaldone

UNCLASSIFIED

Talking Points

RELEASED IN FULL

US-China Relations/High Level Visits

--As an old friend of China, I remain committed to expanding US-PRC relations. I recall during our conversation in 1987 when you visited Washington you said that there was still potential for further development of our relations; this remains true today. It is essential to the interests of the US and to the interests of China that our relationship grows stronger.

--Since my days in the Liaison Office, the strategic dialogue between our top leaders has played an important role in moving our relationship forward. This is one reason why I wished to visit China early in my Administration.

--Our strategic dialogue has helped to reshape the world; nowhere is this more apparent than here in Asia.

--We have succeeded in effecting a Soviet withdrawal from Afghanistan; we have encouraged greater stability on the Korean Peninsula; and we have opened the door to a solution to the Cambodian question.

--In this regard, we welcome NPC Chairman's Wan Li's visit to the US in May. We also hope that Minister of National Defense Qin Jiwei will visit the US this year. Their visits can continue our tradition of regular high level exchanges.

US-China Military Relations

--Our military ties are an important component of our overall relationship.

--We attach great importance to developing and expanding friendly contacts between our two military establishments, including technology cooperation.

--In 1987 you and I spoke of the contribution activities such as ship visits and military exchanges make to our relations. We want these exchanges to continue to expand. As you know, US ships will visit Shanghai in May; we hope PRC ships can visit a US port before long.

Arms Control and Missile Proliferation

--In the field of arms control, sometimes our approaches have differed but I believe that our interests are similar and that our goals are identical.

--On nuclear proliferation, we have advocated non-proliferation and meaningful arms reduction talks with the Soviet Union; you have pledged not to sell nuclear weapons to any country.

UNCLASSIFIED

--When you visited the US in May of 1987, we discussed in detail the need to include the Soviet Union's Far Eastern SS-20 forces in an INF Agreement. Our steadfastness led to Soviet concessions.

--We will consult closely with China as we continue strategic arms control discussions with the Soviet Union.

--We are also concerned over the dangers posed by the possibility of a nuclear weapons race between India and Pakistan.

--China's assistance to Pakistan's nuclear weapons program would be a severe burden in our relationship.

--On chemical weapons, we are working together to achieve a comprehensive, effectively verifiable and truly global ban on chemical weapons; you stress the complete destruction of weapons stockpiles while we emphasize that such measures must be accompanied by strict verification measures.

--At the Paris Chemical Weapons Conference in January, we joined together with many nations to reaffirm our commitment to respect existing prohibitions on use of chemical weapons.

--On ballistic missiles, you have indicated that you will not sell intermediate range missiles to any country besides Saudi Arabia; we have joined with our Economic Summit partners to form the Missile Technology Control Regime.

--We hope that China will work with us and the international community in seeking to curb the proliferation of ballistic missiles with a range greater than 300 kms and a payload greater than 500 kms.

--The technology for space launch is similar to that required for ballistic missiles. We are concerned that some nations may be using space programs as a pretext to acquire ballistic missile technology. This is especially troubling when these nations are simultaneously developing chemical weapons. We must assure there are safeguards to prevent space cooperation with others from serving such ends.

UNCLASSIFIED